

Comptroller

15 May 1961

Chief, Fiscal Division

The Transfer to NSC of the Administration of its
Financial Transactions effective as of 1 July 1961

1. In accordance with your request the following are the Fiscal Division's suggestions for transferring the administration of financial transactions which are now performed by this division to NSC.

2. ACCOUNTING BRANCH

A. Appropriated Funds with Disbursing Officer

CIA - The Agency will maintain all Disbursing Funds activity through F.Y. 1961 (1192000, 1102000, 1112000) until appropriations lapse, using currently approved methods and procedures.

NSC - The NSC will establish for F.Y. 1962 and thereafter necessary and required U. S. Treasury Data relative to the handling of disbursing funds:

- (1) The NSC will provide for monthly transmission of data required under Treasury Department Circular No. 945 - Second Revision, Procedures Memorandum No. 1, entitled, Regulations Governing Accounting and Reporting Relationships Between the Treasury Department and the Department and Agencies for Which Treasury Department Disburses.
- (2) The NSC will establish with the U. S. Treasury a new and different disbursing fund account symbol to be used in F.Y. 1962 and thereafter. This requirement will facilitate the rendering of Treasury statements involving undisbursed appropriations by the Treasury Department and will also aid in maintaining separate accounting and certification responsibilities relating to these funds.

B. Disbursing Officers - Special Deposits (Special Deposits and Unapplied Special Deposits)

CIA - The Agency will maintain accounting and certification activity for Special Deposits (11X0101 Fed. Tax, 11X050 Bonds, 11X070 D. C. Tax) through final disbursement of funds - approximately August, 1961 - for payroll deductions made and deposited into these accounts applicable to F.Y. 1961.

- (1) A listing indicating employee name and related balance of monies deducted and on deposit in the Bond account with the U. S. Treasury will be provided to the NSC. The list will support the transfer of funds to the NSC subsequent to the last payroll deduction.
- (2) The tax accounts will contain monies withheld through the first half of the fifteenth pay period which will not be completely disbursed until August, 1961 for deductions applicable to F.Y. 1961. Payments for taxes withheld, with supporting documentation will be forwarded to the NSC for inclusion with its tax reports and payments.

NSC - The NSC will establish with the U. S. Treasury new and different deposit fund account symbols to be utilized by the NSC in depositing and disbursing monies withheld for taxes and bonds from the period beginning 1 July 1961 and thereafter.

The NSC will assume the responsibility for bond distribution relating to monies deposited and transferred by the Agency - see paragraph B(1), above.

C. Accounts Receivable

CIA - All monies due the NSC are related to F.Y. 1961 or prior. This account will remain on the records maintained by CIA until cleared by the receipt of payment or cancellation thereof.

NSC - No action required on the transfer of accounting responsibilities.

D. Equipment (Asset and Equipment Reserve)

CIA - The account relating to equipment will continue to be the accounting responsibility of the Agency until proper transfer authority can be obtained. Transfer authority should include:

- (1) Physical Inventory as of 30 June 1961.

- (2) Acceptance and approval of inventory adjustments, if any, by appropriate authority relating to the physical inventory,
- (3) Upon acceptance, etc. of Item(2) accounting entries will be made to reflect such adjustments, and
- (4) Upon satisfactory acceptance of the adjusted gross inventory the equipment account will be eliminated from Agency records and transferred to the HSC with a detailed itemization of the inventory composition.

The Physical Inventory will be accomplished and the taking thereof will be observed and reported on by representatives of the Fiscal Division, and the Office of Logistics. It is suggested that members of the Audit Office assist in the taking of the inventory.

HSC - As at a time mutually agreed upon, representatives of the HSC will take the physical inventory by actual count of equipment on hand within the confines of the HSC occupied area. Representatives of the Fiscal Division, Office of Logistics will be on hand to observe, assist and verify the taking of the inventory.

Upon acceptance, approval and transfer of the Equipment Inventory and general ledger account from the Agency the HSC will record on its general ledger the inventory actual and assume accounting responsibility thereafter.

E. Reimbursements to Appropriations (Reimbursements to Appropriations and Operating Reimbursable Income)

CIA - The Agency will close these accounts into Invested and Donated Capital as of 30 June 1961.

HSC - No action required in the transfer of accounting responsibilities.

F. Current Costs

CIA - The Agency will close this account into Invested and Donated Capital as of 30 June 1961.

HSC - No action required in the transfer of accounting responsibilities.

G. Annual Leave (Cost and Accrued Annual Leave)

CIA - The Agency will accrue unused annual leave as of 30 June 1961. Upon proper calculation of the leave accrual the

Agency will record the total of each within the proper general ledger accounts. At the conclusion of July 1961 the amount so accrued, will be transferred to the NEC with documentary support and approval.

NEC - Upon receiving the transfer of unused leave for the period ended 30 June 1961, the NEC will record the amount into its applicable general ledger accounts.

H. Retirement (Reciprocal Account - G.P.O.) and Retirement Deductions (Prior and Current Years))

CIA - Supported by Form 2106, Retirement Record Card, the Agency will transfer, with proper authority, the amount accumulated as of 30 June 1961, to the NEC. This transfer will provide accounting continuity for amounts withheld by the NEC from employees for the remainder of the calendar year. Summary Form 2107-2 will also accompany such transfer.

NEC - The NEC will record upon its accounting records the amounts acquired by transfer from the Agency, so that continual recording of employee contributions may be provided throughout the remainder of calendar year 1961.

I. Accounts Payable

CIA - The Agency will maintain this account until all amounts have been paid. The account reflects only those liabilities applicable to F.Y. 1961 or prior.

NEC - No action required in the transfer of accounting responsibilities.

J. Invested and Reworked Capital

CIA - The Agency will maintain this account throughout the life of F.Y.'s 1959, 1960, and 1961.

NEC - No action required in the transfer of accounting responsibilities. Responsibility will begin with F.Y. 1962.

K. Budgetary Accounts - F.Y. 1961, 1960, and 1959

CIA - The Agency will maintain these accounts throughout the life of the appropriations. These accounts will continue to reflect unapportioned appropriations, unalligated allotments, unliquidated obligations, expenditures (cash and payable) as applicable until each has lapsed.

NEC - No action required in the transfer of accounting responsibilities. Responsibility will begin with F.Y. 1962.

3. PAYROLL BRANCH

- A. CIA - Will deliver to HRC on 23 June 1961 two Time and Attendance Reports for the pay period 6/25/61 - 7/8/61. One for the period 6/25/61 through 6/30/61 and the other for the period 7/1/61 through 7/8/61, and
- B. HRC - will post all duty status hours, regular and overtime, and leave taken to each Time and Attendance Report.
- C. HRC - Will deliver the certified Time and Attendance Reports for the period ending 6/30/61 to CIA on or before 5 July 1961 and retain the reports for the period ending 7/8/61.
- D. CIA - Will process the payroll for the period 6/25/61 through 6/30/61 and HRC will process the payroll for the period 7/1/61 through 7/8/61 and all payrolls thereafter.
- E. CIA - Will forward to HRC tax exemption forms (W-2, D-4, D-4a), health benefit forms (SF 2809 and SF 2810), bond authorization forms (Form 2254) on or before 7/5/61.
- F. Payroll for period 6/25/61 through 7/8/61
 - CIA - Will, in the processing of the payroll for the period 6/25/61 through 6/30/61, compute leave accruals and deductions for FICA, Health Benefits and Retirement at one-half of the rate for a two weeks pay period. All half cent adjustments will be included in this pay period.
 - HRC - Will, in the processing of the payroll for the period 7/1/61 through 7/8/61, compute leave accruals and deductions for FICA, Health Benefits and Retirement at one-half of the rate for a two weeks pay period. All half cent adjustments will be excluded.
- G. CIA - Will forward to HRC individual employee folders containing the following: Individual Leave Record, Individual Earnings Record, any active Contract or Agreement on Consultant Type, any correspondence relative to an individual employee.
- H. CIA - Will forward to HRC a detailed listing of the amounts in the bond account showing employee name and the balance to the credit of each individual as of 14 July 1961 (including deductions for pay period ending 30 June 1961).
- I. CIA - Will forward to HRC all active employee's retirement record (SF 2806); this to be done after all 1961 calendar year CIA deductions have been posted to the record. Transfer of records will be accomplished with the SF 2817-2.

- J. CIA - Will deliver to NSC a detailed listing by employee supporting balance in the tax deduction suspense account (IBM run) for Federal and D.C. income tax deductions and for the period 11 June 1961 through 30 June 1962.
- K. CIA - Will deliver to NSC
- (1) Copies of first and second quarterly tax reports for 1961, copy of second quarterly report to D. C. Unemployment Compensation Board and copy of second quarterly report of health benefits, SF 2811 and SF 2812.
 - (2) Copies of pay vouchers (SF 1166) to be used in supporting balance in tax suspense account transferred to NSC.
 - (3) Three copies of W-2's on all employees who have separated within the pay year 11 December 1960 through 30 June 1961, these to be forwarded to tax collectors at the close of 1961 tax year.

4. TRAVEL REIMBURSEMENT

CIA - Will pay all travel claims chargeable to fiscal year 1961. Will request that all unused transportation requests issued to employees of NSC be returned.

NSC - Will pay all travel claims chargeable to fiscal year 1961 and subsequent years. Will not use transportation requests issued by CIA to NSC employees for the purchase of transportation which will be chargeable to fiscal year 1962.

5. GRADE REIMBURSEMENT

CIA - Will pay all claims chargeable to fiscal year 1961 and prior years.

NSC - Will pay all claims chargeable to fiscal year 1962 and subsequent years.

6. VITAL DOCUMENTS

CIA - Will be responsible for proper storage of vital documents relating to fiscal year 1961 and prior years.

NSC - Will be responsible for the proper storage of vital documents relating to fiscal year 1962 and subsequent years.

7. RECORDS RETENTION AND RETIREMENT

CIA - Will be responsible for the retention and retirement of all NSC records and documents relating to fiscal year 1961 and prior years.

ISC - Will be responsible for the retention and retirement of all ISC records and documents relating to fiscal year 1968 and subsequent years.

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